

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 04324 130946 Z

45

ACTION EB-11

INFO OCT-01 NEA-10 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 OIC-04

RSR-01 /167 W

----- 060360

R 130927 Z APR 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3775

INFO USMISSION GENEVA

C O N F I D E N T I A L NEW DELHI 4324

E. O. 11652: GDS

TAGS: ETRD, IN, GATT

SUBJ: INDIA AND ITS GATT PERFORMANCE

REF: GENEVA 1578

1. I SYMPATHIZE WITH DILEMMA OF OUR GENEVA MISSION (GENEVA 1578) AND COMMEND IT ON THE SOUNDNESS OF ITS JUDGMENT. I AGREE THAT THERE IS NO POINT IN HOUNDING INDIA OUT OF GATT, BUT WE MUST FIND SOMEWAY OF UPHOLDING GATT PRINCIPLES IN THE FACE OF INDIAN EVASION. AFTER ALL, THE REASON FOR HAVING INTERNATIONAL ORGANIZATIONS SUCH AS GATT IS FOR THE REGULARIZING EFFECT THEY HAVE ON THE BEHAVIOR OF THEIR MEMBERS. IN A SPEECH IN BOMBAY ON APRIL 6, I POINTEDLY REFERRED TO INDIA'S OBLIGATION TO EXTEND TO US EQUAL OPPORTUNITY ON THE INDIAN MARKET.

2. BEYOND STANDARD LDC CLAIM FOR SPECIAL CONSIDERATION AS DEVELOPING COUNTRY, INDIA'S TRADE ATTITUDES ARE INFLUENCED STRONGLY BY THE AUTARKIC PERIOD INDIA IS PASSING THROUGH AND BY A DESIRE TO CONTROL AND GUIDE ALL FACETS OF ITS ECONOMY. ALTHOUGH IT VALUES ITS GATT PARTICIPATION LARGELY FOR THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 NEW DE 04324 130946 Z

BENEFITS IT DERIVES FROM GATT (INCLUDING ANOTHER CHANCE TO MAKE ITS VOICE HEARD), ITS ACTIONS ARE OFTEN QUITE INCONSISTENT WITH THE LETTER OF GATT. I REFER PARTICULARLY TO ITS VERY RESTRICTIVE LICENSING OF IMPORTS AND ITS EXTENSIVE LISTS OF ITEMS THAT CANNOT BE IMPORTED AT ALL. THESE ARE CLEARLY INCONSISTENT WITH ARTICLE XI. I BELIEVE THIS SHOULD BE CALLED TO INDIA' S ATTENTION IN THE PROPER MANNER IN GATT. INDIA' S TRADE OFFICIALS HAVE INDICATED TO MY OFFICERS THAT THEY EXPECTED INDIA SOONER- OR- LATER TO BE CALLED TO TASK FOR ITS RESTRICTIONS. SO LONG AS INDIA CONTROLS ITS TRADE THROUGH LICENSING, CHANGES IN CUSTOMS DUTIES ARE ALMOST IRRELEVANT AND PROTESTS ARE JUST FOR THE RECORD. THE REAL ISSUE IS ARE WE GOING TO ACQUIESCE WHILE INDIA MOVES EVER CLOSER TO CENTRAL GOVERNMENT CONTROL OVER ITS IMPORTS AND EVER FARTHER FROM THE OPEN ECONOMY VISUALIZED BY GATT? I RECOMMEND THAT WE AT LEAST CONSIDER TRYING TO NUDGE THEM BACK TOWARDS THE GATT FOLD BY HAVING INCONSISTENCY OF THEIR ACTIONS WITH GATT PRINCIPLES SOMEHOW RAISED. ALTHOUGH THE TECHNICALITIES MUST BE WORKED OUT ELSEWHERE, WE WILL BE GLAD TO COOPERATE IN DEVELOPING AN APPROACH.

MOYNIHAN

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 13 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE04324
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730442/aaaainks.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 GENEVA 1578
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Sep-2001 by rowellE0>; APPROVED <03-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980114
Subject: INDIA AND ITS GATT PERFORMANCE
TAGS: ETRD, IN, GATT
To: EB
GENEVA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005